23025a spol ch 35137 ftr chattn. mr. r.w. murray

tac is disagreeing on comments. situation, i.e. the meeting with lord hunter will be possible without the cracks in the foundation's being too apparent. the following line will be taken:

(1) tac is unable to follow hunter on a firmly charted sloping tar path. however, the industry would undertake to continue its efforts in reducing tar yields in the middle tar class within the margins set by consumer acceptability. the industry will furthermore explain to lord hunter where the obstacles in terms of market reaction are.

(2) tac will offer lord hunter one million pounds per annum for his research projects as outlined in his draft document, no strings

(3) if lord hunter wishes to obtain scientific or other information relating to these research projects, each request would be con-sidered by industry separately and the replies would be channelled to lord hunter via tac exclusively.

It was this last point which brought the house down because gallaher startled everybody by declaring that they disagreed with this entirely as they wished to continue to disclose biologic data unilaterally to lord hunter. in fact, derek wilson stated that part of their product development procedure consisted in consulting with lord hunter on health-related matters.

as gallahers stated that under no circumstances would they budge, and, as tac could not afford not to meet lord hunter, it was agreed not to be too specific on this last point when meeting on friday with lord hunter.

the meeting finally broke up at midnight leaving everybody wondering what will happen after the hunter meeting when something concrete will have to be done.

helmut gaisch

cc: pme lausanne: mr. a.e. bellot mr. j. hartogh pm ny : mr. a. holtzman pm r+d richmond: dr. r.b. seligman pm munich: mr. s. gunnarsson pm uk : mr. r.w.a. hermans pme neuchatel: dr. m. haeusermann

7/3/79

operator, pls make the copies for messrs. bellot and hartogher

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